

Information Technology and Repositioning of Human Resource Management Functions

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ABSTRACT

Technological developments have an impact on business development. Almost all business functions must make changes to anticipate them. This fact becomes a challenge for business practitioners and academics who study management science. A concrete example that shows the impact of technological advances on the business world is the development of VoIP (Voice Over Internet Protocol). In response to this, business transformation is an urgent thing to do. Advances in information technology have an impact on changing business organizations from a hierarchical business organization to a leaner business organization. The transformation of the HRM role has led to several new concepts in contemporary HRM practice. The repositioning of the HRM function is also an anticipation of changes in the global business environment. The repositioning of the HRM function from an academic point of view should trigger more comprehensive research in analyzing this process.

INTRODUCTION

Currently the world is experiencing very rapid development. This development is due to the development of science and technology. The consequence of this development is that it continues to adapt to the changes that occur. Everyone will always learn for a new technology. Everyone will compete to be the first to get information about what is happening, has happened, or is likely to happen. Likewise with the business world.

Technological developments will always have an effect on an organization. Just like humans, an organization will also adapt to existing developments. Organizations that cannot keep up with existing technological developments will lose out on the competition and will be eliminated. For this reason, the management of an organization will always move to keep up with world developments.

One form of development that occurs is the development of information technology. Currently there has been the development of VoIP (Voice over Internet Protocol). VoIP provides a guarantee to be able to communicate to all people in other parts of the world at a lower cost or even at no cost. With this business can run smoothly, business expansion to

international markets will be easier and there will be no obstacles. With this convenience, an organization's operations can be carried out 24 hours a day. This indicates a business that does not have a break.

The rapidly growing information technology can simplify the company's operations. Operational costs for communication are also getting lower. Communication within the organization is also easier with VoIP. This causes a paradigm shift in an organization. There will be a business repositioning, business repositioning is a basic change that occurs in the form of organizational logic which is the impact of fundamental behavioral changes (Muzyka *et al.*, 1995).

Prahalad and Oosterveld (1999) identified four characteristics of successful business repositioning. The first is the paradigm shift itself. With a paradigm shift, it will have an impact on the new strategies implemented. Furthermore, there will be changes to the management process that occur. Second, there is a change process in which all organizational components will be involved. Third, the repositioning process involves values and beliefs that are intangible. The fourth reposition will require the ability to build new business units within the company.

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The part of an organization that will have an impact on technological developments is human resource management. Humans will naturally adapt to changing circumstances. Human resources will change and will always adapt to the changes that occur. Human resource management will always implement new strategies with existing changes. The role of HR for the organization can not only be seen from the results of work productivity but can also be seen from the quality of the work produced and the ability to properly utilize other resources for the benefit of the organization. Various characteristics of competitive and high-quality human resources have led the organization to make a paradigm shift in viewing HR management and at the same time shifting HR management functions.

The development of information technology will change the business order of an organization. This will create a repositioning of the existing management functions in the organization. Management repositioning can occur due to current management policies that can no longer be applied, especially to be able to compete with other organizations. The development of information technology demands that all organizational components also develop, including the human resource management function. To support the organization in dealing with these changes, it is necessary to have a strategy that supports a change by transforming and repositioning both in behavior and human resource competencies to increase the competitive advantage of the organization or company. By carrying out the transformation and repositioning of behavior and competence of human resources, it is expected to give birth to a function and role of human resources that have a competitive advantage in practice.

RESEARCH METHOD

The method in this research is literature study. The review in this paper is carried out systematically to express ideas and convey the results of scientific critical thinking. Writing is in the form of a literature review to analyze and synthesize existing knowledge related to scientific topics as a form of contribution to thinking and developing knowledge on related topics. The topics in this study are information technology and the repositioning of human resource management functions.

RESULT AND DISCUSSION

Information Technology Development

The development of communication technology begins with the creation of communication tools. Starting with the invention of paper, telephone,

radio, television, and currently using the internet. The development of information technology will change people's lives. In the 21st century, the whole world has used information technology (IT). The use of the internet is increasing and can be accessed by anyone. With this technology all information is obtained in a relatively short time. Almost all organizations will use information technology for their company operations. The presence of communication and information technology with all the sophistication and convenience it brings is able to lead people to an order that has a better quality and standard of living.

As the business world shifts from physical production to knowledge work, the role of IT is increasingly important. McKeown and Phillip (2003) argue that currently corporate organizations are starting to use the services of IT for company operations (Byrd, 2006).

To meet the information needs within the organization, management has used email or other internet applications. Thus, the company does not incur additional costs for each employee. Management only needs to pay for centralized internet that can be used by its employees. Previously, many organizations provided a communication allowance for their employees every month. Currently it is no longer done.

Several technical obstacles can occur in the use of internet-based information technology. One of the problems is the internet network which sometimes has problems. For that we need an IT department that functions to overcome these problems.

Human Resources Reposition

Human resource management is a strategic area of the organization. Human resource management should be viewed as an extension of the traditional view of managing people effectively and for that requires knowledge of human behavior and the ability to manage it (Ulrich, 1998). Rapid environmental and technological changes increase the complexity of the challenges faced by organizations, this raises the organizational need for leaders who can direct and develop businesses with the power they have to achieve organizational goals in building the organization towards a high-performance organization (Harvey & Brown, 2003). Changes in business systems occur due to technological developments. In this research, the development of information technology will be in line with the repositioning of human resource management. The repositioning of human resource management will lead to organizational

transformation (Bontis *et al.*, 2000). This transformation process is based on developing science. The repositioning of human resource management is a form of management belief that science and technology will have an influence on the performance of an organization. This is done by all organizations that want to stay in their existing business. The difference between each of these organizations is the type of industry and company as well as the research model used.

Analyzing the organizational transformation process requires appropriate tools or methods. There are several methods commonly used in this analysis process, namely: Intellectual Capital (IC), Human Resource Accounting, Balanced Scorecard (Bontis *et al.*, 1999). The definition of intellectual capital, according to Stewart (1997) is intellectual material knowledge, information, intellectual copyright, experience that can be used to create wealth. Brooking (1996) defines IC as a term used to describe a combination of intangible assets from the market, intellectual property, infrastructure and human resources that are able to optimize functions within the company. While Bontis *et al.* (1999) define IC as the search for the effective use of knowledge in the production process, with a combination of tangible and intangible assets. Bontis *et al.* (2000) explains that with changes in human resources, there will be a repositioning of the function of human resources for an organization. It will also have an impact on the repositioning of human resource management. The repositioning of human resource management will have an impact on the company's performance. Thus, the repositioning of human resource management changes in aspects that affect the company to achieve its targets.

Functions and Roles of Human Resources

Schuler (1990) explains that human resources have an important role for organizations. For this reason, management is needed so that it can have a positive impact on the company. Regarding the changing role of human resources, it is necessary to look at the role of human resources in the traditional paradigm. The traditional paradigm states human resources as complementary. Human resources are considered the same as other factors of production. This paradigm changes based on human attitudes that will change as a form of adaptation to changes in time. The changing times will demand more competitive human resources. This change resulted in a change in the behavior of human resources. The management of an organization needs to implement a company strategy to be able to regulate the behavior of human resources in the company.

Ulrich (1998) explains that human resources need to be improved because human resources are often ineffective, incompetent and wasteful. For this reason, it is further said that human resources need to play a role in achieving the required excellence through learning, quality improvement, team work. In other words, it is necessary to create new roles and agendas that focus not only on traditional human resource activities, but on what outcomes enrich the organization's value for consumers, investors and employees.

The organization must be run by human resources with highly competitive capabilities with the following characteristics: (1) having the ability to capture, analyze, and utilize information; (2) have the ability to respond to opportunities appropriately, (3) have the ability to reduce or avoid risk, and (4) have the ability to reduce financing. In addition to having highly competitive capabilities, the human resources employed by an organization must also have high-quality capabilities (quality human resources) which include physical qualities, moral and spiritual qualities and social psychological qualities.

Repositioning of the management function needs to be done so that the company can run with the new strategy. To accelerate the repositioning of human resources, it is necessary to apply information technology that can be accessed by all human resources in the company. Prior socialization is required to employees regarding the new strategy to be implemented. If it is related to technological developments, training is needed to be able to apply new technology. Changes in the function of human resources no longer carry out traditional activities such as staffing, compensation, or recruitment, but rather the end result, therefore the need for a new agenda within the organization, so that it can provide the best value or results for consumers, investors and workers (Lancourt & Savage, 1995).

Human Resource Management Reposition

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Bontis *et al.* (2000) explains that with changes in human resources, there will be a repositioning of the function of human resources for an organization. It will also have an impact on the repositioning of HRM. The repositioning of HRM will have an impact on the company's performance. Thus, the repositioning of human resource management changes in aspects that affect the company to achieve its targets.

Human Resource Management in a New Organizational Form

With the rapid development of information technology, everyone will know that these changes will occur in a relatively short time. To be able to adapt, everyone in an organization must be able to apply every emerging technology. The rapid dissemination of information will be matched by the implementation of new strategies. To be able to create competitive HR, management must be able to manage existing HR in the organization. This management requires creative thinking. There was a repositioning of HRM. In the past, the task of HRM was only focused on how to work and work discipline.

The repositioning of HRM requires managers to be able to generate creative thinking patterns in their employees to be able to improve the quality of work, produce products that have innovation, and can achieve company goals. According to Walker (1990), there are several things that HR executives need to do in managing this new type of organization, namely 1) HR must focus itself on several key issues. The key issue is planning. Planning is now understood more as a tool to stimulate creative thinking and discussion than as setting long-term goals and actions; 2) Management expects initiative from HRM executives. The company's management expects HR executives to be involved in providing leadership and supporting HR readiness in anticipating any changes in the business

environment. HRM is also involved in the processes of planning, production, quality improvement, culture, restructuring and all other management initiatives; 3) The HRM function performs its operations more flexibly and efficiently. HRM staff review and improve their performance by reducing operational costs, reducing administrative work, limiting activities and outsourcing when necessary.

HRM must think creatively to be able to implement a defined strategy. So that the role of HR will be in a position from before. This does not mean that HRM no longer performs its previous function, but adds a new function.

Companies face competitive challenges to form new capabilities. And everyone is responsible for developing that ability. Human resources have the opportunity to fill leadership roles that enable organizations to meet the competitive challenges of globalization, profitability through growth, intellectual capital, and greater change. In addition, efforts to reposition the role of human resources have several benefits, such as the role of human resources and strategy for the organization because it is related to business planning. The benefit obtained is a change in the understanding of the traditional role of HR (people issues) into the role of strategic HR (people related business issues). The challenge has one implication for business, namely that the only competitive weapon lies within the organization.

The implications that arise due to the challenges that exist are also in the repositioning process in the transformation of the role of HR, which will improve organizational development by further increasing various HR competencies in addition to changing human resource behavior. From the repositioning process in the form of behavioral transformation and HR competencies, a new role for HR will be obtained which is expected to be able to better guarantee the success of achieving organizational goals and increasing the competitive advantage of HR. In the new economy, victory will emerge from organizational capabilities such as speed, responsiveness, agility, learning capacity, and employee competence. A successful organization is one that is able to quickly turn strategy into action, manage processes intelligently and efficiently, maximize employee contributions and commitment, and create the conditions for change. In order to meet the expectations of the organization, the process of transformation and repositioning must focus on the contribution that can be made so that a new role for HR is obtained which is expected to be able to better guarantee the success of achieving organizational goals and increasing the competitive advantage of HR.

CONCLUSION

The development of information technology today will have an impact on the state of the business market. These business changes will have an impact on every organization in this business market. The development of information technology will change various aspects of life. Organizations will have an impact with changes in the organizational environment. This will create a repositioning of HR. Currently, HR in an organization are required to work effectively, efficiently, and have high creativity. The organization also gives confidence that its HR can contribute to the company through their thoughts.

The repositioning of HR is influenced by dramatic environmental changes, basic human attitudes that think critically, and human attitudes that are always changing. The repositioning of HR roles is carried out in two ways, namely through behavioral repositioning and HR competency repositioning. Behavioral HR repositioning discusses the relationship between competitive strategy which explains that to achieve a competitive strategy requires certain role behaviors and they propose a hypothesis about the HRM model that can achieve organizational conditions that have competitive advantage. To create competitive resources, company management needs to implement appropriate strategies. There are three strategies that can be applied to create competitive HR, namely 1) Quality improvement strategy; 2) Strategy to increase innovation; 3) Cost reduction strategy. The current HRM administrative function must be complemented by a more strategic role. HRM executives must work more professionally in carrying out this new function. They should focus more on the quality of their work and not just doing the work. HRM executives are value creation oriented. This means increasing organizational effectiveness, including building the company's competitiveness.

The role of HR strategy also concerns the issue of HR competence in terms of technical, conceptual and human relations capabilities. Efforts to reposition HR competencies are carried out by changing the organization's understanding of the role of HR from people issues to people related business issues. People issues are defined as business issues that are only related to business people (business competence is only business people). This means that business executives, except HR executives, do not need to be too involved in planning the business strategy that will be taken. Competence needs for development and career paths will determine the basis for employee development.

Employees who are considered weak in certain competency aspects can be directed to certain competency development activities so that they are expected to improve their performance. The measurement that can be used to see the performance of HR related to these competencies is by using the High Performance Work System (HPWS).

With the advancement of information technology, it will have an impact on changes in the organizational hierarchy. Today hierarchies are becoming more streamlined business organizations. The transformation of the HRM role gave rise to several new concepts in contemporary HRM practice.

To support the process of repositioning the role of HR, look at some of the efforts of customizing the role of HR, which can be used as considerations as follows. The normal condition of all HR activities through the meaning of HR management responsibility so that organizational goals can be achieved optimally. The key factors are time and money management, motivating, quality work of life and competence. HR action agenda through periodic reporting from HR managers to top managers regarding their duties. The key is people is the most important factor. Implementation of the HR action agenda through the provision of appropriate job responsibilities in accordance with the capabilities of HR staff. The key is the right man on the right jobs. Evaluate and validate HR activities through learning HR executives to behave like business people. The key is a large contribution to the company with the fair competition and an increase in the cost control.

The repositioning of the HRM function is also an anticipation of changes in the global business environment. The repositioning of the HRM function will always occur from time to time. For this reason, studies on the repositioning of human resource management will continue to develop.

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